

Exhibit 1

DISCLOSURE STATEMENT**SALE AND REPURCHASE AGREEMENT**

Prospect Ownership Amount:

\$42,160

Purchase Price:

Prospect Funding Holdings LLC (Prospect)

Fees:

\$12,400

Net Purchase Price to Seller:

\$3,150

Repurchase Rate:

30% every 6 months (60% annually)

The schedule below shows the Repurchase Schedule and the Repurchase Amounts.

Repurchase Schedule	Repurchase Amount
At or Before September 15, 2015	(6 Months) \$16,120
Between September 15, 2015 and Before March 15, 2016	(12 Months) \$19,840
Between March 15, 2016 and Before September 15, 2016	(18 Months) \$23,560
Between September 15, 2016 and Before March 15, 2017	(24 Months) \$27,280
Between March 15, 2017 and Before September 15, 2017	(30 Months) \$31,000
Between September 15, 2017 and Before March 15, 2018	(36 Months) \$34,720
Between March 15, 2018 and Before September 15, 2018	(42 Months) \$38,440
After September 15, 2018	\$42,160

IF SELLER COMPLIES WITH THIS SALE AND REPURCHASE AGREEMENT AND RECOVERS NOTHING FROM THE LEGAL CLAIM CITED BELOW, THEN PURCHASER SHALL RECEIVE NOTHING.

SELLER IS NOT ENTITLED TO RECEIVE ANY PROCEEDS UNTIL PURCHASER HAS RECEIVED THE PROSPECT OWNERSHIP AMOUNT. IF SELLER MAKES ANY FALSE STATEMENTS IN THIS SALE AND REPURCHASE AGREEMENT (SEE SECTION 2.8), REPLACES SELLER'S ATTORNEY WITHOUT OBTAINING A NEW ACKNOWLEDGMENT FROM THE REPLACEMENT ATTORNEY (SEE SECTION 5.9), FAILS TO DISCLOSE A PRIOR SALE (SEE SECTION 3.4), RECEIVES ADDITIONAL ADVANCES WITHOUT PURCHASER CONSENT (SEE SECTION 5.4), OR DOES NOT COMPLY WITH THIS SALE AND REPURCHASE AGREEMENT OR AVOIDS OR ATTEMPTS TO AVOID PAYMENT TO PURCHASER, SELLER SHALL IMMEDIATELY PAY TO PURCHASER LIQUIDATED DAMAGES IN THE AMOUNT OF TWICE THE PURCHASE AMOUNT REGARDLESS OF THE OUTCOME OF THE LEGAL CLAIM OR THE AMOUNT OF THE PROCEEDS. IN ADDITION, BREACHING PARTY SHALL PAY FOR ALL COLLECTION COSTS, INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES OR NON-BREACHING PARTY.

Payment Limitation: Seller's obligation to pay the Prospect Ownership Amount is limited to amounts recovered by seller in the legal claim. No further sales: Seller may not receive any future proceeds based on the legal claim without the prior written consent of Purchaser.

Fully Informed: Seller fully understands the terms and conditions of this Sales and Repurchase Agreement, including the IMPORTANT INFORMATION, and Seller has had an opportunity to read this Sales and Repurchase Agreement and to consult with such advisors as Seller deems appropriate, including attorneys and tax advisors. Seller has not relied on any statement, assurance, representation or warranty, whether written or oral, of Purchaser or any other person in connection with Seller's decision to enter into this Sales and Repurchase Agreement.

SELLER: A

Home Phone: (813) 526-6209

Address:

Work Phone:

Other Phone:

Driver's License #: _____

State Issued: _____

SSN: _____

Date of Birth: _____

Legal Claim:

See, *et al.*, a Personal Injury Case that is currently being pursued by my attorney, "David Rosen, Esq."

Seller sells and assigns all of Seller's right, title and interest in and to the Purchased Interest to Purchaser, and Purchaser purchases the Purchased Interest from Seller on the terms and conditions provided in this Sales and Repurchase Agreement. The purchase of the Purchased Interest shall entitle Prospect Funding Holdings LLC to receive the Prospect Ownership Amount. As consideration for the sale of the Purchased Interest, Purchaser shall pay the Purchase Price to Seller. Capitalized terms have the meanings set forth in Section 1 of the IMPORTANT INFORMATION attached.

PLEASE READ THIS CAREFULLY; IT AFFECTS YOUR RIGHTS - Mandatory Arbitration and Waiver of Class Action

Instead of suing in court, Purchaser and Seller agree to arbitrate all disputes, claims or controversies on an individual, non-representative basis. You agree that, by entering into this Agreement, Purchaser and Seller are waiving the right to a trial by jury or to participate in a class action or representative action. This agreement to arbitrate is intended to be broadly interpreted. (See Section 8.20)

I certify that I have read and agree to the DISCLOSURE STATEMENT above and the IMPORTANT INFORMATION attached. I agree to be bound by the terms and conditions of this Sale and Repurchase Agreement. This Agreement shall not be effective until the Purchase Price is paid to Seller.

DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT COMPLETELY OR IF IT CONTAINS ANY BLANK SPACE. BEFORE YOU SIGN THIS CONTRACT YOU SHOULD OBTAIN THE ADVICE OF YOUR ATTORNEY. YOU ARE ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS CONTRACT.

Seller's Signature

Date:

Purchaser Signature

Date:

A

Prospect Funding Holdings LLC

S. Manager

or Prospect Funding Holdings LLC

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03/13/2015

Initial, A



IMPORTANT INFORMATION**Background**

Seller is the plaintiff in the Legal Claim. In order to ensure the receipt of some proceeds in connection with the Legal Claim without regard to its outcome, Seller desires to sell an interest in the Proceeds to Purchaser. Purchaser desires to purchase an interest in the Proceeds from Seller and assume risk of resolution of the Legal Claim.

SECTION 1. DEFINITIONS.

1.1 "Fees" means all amounts for administration, processing, review, documentation and third party costs of transaction under this Sales and Repurchase Agreement. Seller shall pay to Purchaser total fees of \$3,150.00.

1.2 "Legal Claim" means (a) the pending legal claim and/or lawsuit which the seller is engaged as a result of injuries arising out of a Personal Injury, Workers' Compensation or other claim; (b) all applicable proceedings, proceedings on appeal or remand, enforcement, ancillary, parallel, or alternative dispute resolution proceedings and processes arising out of or relating to such case; (c) any other proceedings founded on the underlying facts giving rise to such case in which Seller is a party; and (d) any arrangements made with Seller with another party to such case which resolves any of the Seller's claims against such party.

1.3 "Proceeds" means all property or things of value payable on account of the Legal Claim including, without limitation, cash, negotiable instruments, contract rights, annuities and securities whether obtained by judgment, settlement, arbitral award or otherwise. Without limitation of the foregoing, "Proceeds" shall include a reasonable estimate of the monetary value of all non-cash benefits receivable by Seller on account of the Legal Claim.

1.4 "Prospect Ownership Amount" is the amount listed on Page 1 that Seller has sold to Purchaser. The Purchaser has agreed to allow the Seller to Repurchase the Prospect Ownership Amount according to the Repurchase Schedule on Page 1 of this agreement.

1.5 "Purchased Interest" means the right to receive a portion of the Proceeds equal to the Prospect Ownership Amount on the further terms and conditions provided for in this Sales and Repurchase Agreement.

1.6 "Seller's Attorney" means, collectively, David Rosen, Esq., which is Seller's attorney(s) in respect of the Legal Claim and any substitute, new or additional attorney representing Seller in the Legal Claim.

SECTION 2. SELLER'S STATEMENTS. Seller states to Purchaser as follows:

2.1 **Title; Capacity.** Seller believes the Legal Claim to be meritorious and filed in good faith. Seller is the plaintiff in the Legal Claim and has full right, title and interest in, to and under the Legal Claim and the Proceeds. Seller has the capacity and authority to enter into this Sale and Repurchase Agreement and perform Seller's obligations set forth in this Sale and Repurchase Agreement.

2.2 **Effect of Sale and Repurchase Agreement; Binding and Enforceable.** The execution, delivery and performance of this Sale and Repurchase Agreement and the obligations set forth in this Sale and Repurchase Agreement do not conflict with, or result in the breach or termination of, any provision of, or constitute a default under, any instrument or Sale and Repurchase Agreement to which Seller is a party. This Sale and Repurchase Agreement constitutes the legal, valid and binding Sale and Repurchase Agreement of Seller, enforceable in accordance with its terms.

2.3 **Judgments, Levy, Claims or Liens.** Seller is not subject to and outstanding judgment, levy or claim. Seller is not indebted to any present or former spouse for support, maintenance or similar obligations, nor is Seller indebted to any child, or the guardian of any child, for any child support or similar payments and Seller never received Aid to Families with Dependent Children, food stamp benefits or low income energy assistance benefits and the Proceeds are not subject to any lien by any governmental agency to which payment for such benefits would be owed. Seller has paid all federal, state and local taxes due through and including the date of this agreement or has made adequate provisions for such payments. There are no outstanding federal, state or local tax liens against Seller. There are no outstanding and unsatisfied judgments against Seller. Seller has not entered into this transaction for the purpose of evading creditors.

2.4 Information True, Complete and Correct. Seller has provided Purchaser with true, correct and complete copies of all documents requested by Purchaser in connection with its examination of the Legal Claim. Seller has truthfully and completely responded to all questions asked by Purchaser in connection with the Legal Claim. Seller has informed Purchaser of the status of all actions, facts and circumstances that materially affect or impair the Legal Claim, Seller's rights in connection with the Legal Claim or the amount of the Proceeds. All documents and responses provided to Purchaser do not make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

SECTION 3. SELLER'S ACKNOWLEDGEMENTS. Seller acknowledges the following:

3.1 Risk of Loss; No Loan Transaction. The purchase of the Purchased Interest and the other transactions contemplated by this Sale and Repurchase Agreement involve a substantial economic risk and a bona fide risk of loss to Purchaser. The Prospect Ownership Amount has been negotiated to account for such risk. The sale and assignment of the Purchased Interest is an absolute assignment and not a loan secured by a collateral assignment of the Purchased Interest.

3.2 No Attorney-Client Relationship; No Obligations with Respect to Legal Claim. Purchaser is not engaged in the practice of law and is not serving as Seller's attorney. Purchaser's sole obligation under this Sale and Repurchase Agreement is to pay the Purchase Price hereunder. Purchaser does not assume or have any responsibility or obligation of any kind whatsoever to Seller or Seller's Attorney in connection with the Legal Claim, including, without limitation, any obligation to pay court costs or other expenses.

3.3 No Direction as to Use of Purchase Price. Purchaser has imposed no conditions on Seller's use of the Purchase Price.

3.4 No Previous Assignment. Seller has not sold, assigned, pledged, transferred, or encumbered any interest in the Legal Claim or the Proceeds. There are no pending or threatened claims, liens that have not been repaid in this Agreement, assignments, encumbrances or judgments against Seller or Seller's assets that would materially impair the value, priority or collectability of the Proceeds payable to Seller in connection with the Legal Claim or the amounts owed to Purchaser pursuant to this Sale and Repurchase Agreement.

SECTION 4. PURCHASER'S ACKNOWLEDGEMENT.

4.1 Purchaser acknowledges and agrees that Purchaser shall have no right to and will not make any decisions with respect to the conduct of the Legal Claim or any settlement or resolution thereof and that the right to make such decisions remains solely with Seller and Seller's Attorney.

SECTION 5. SELLER'S AGREEMENTS. Seller agrees as follows:

5.1 Treatment of Transaction. Seller agrees to treat and report the sale and purchase of the Purchased Interest as a sale transaction and not as a loan for all purposes (including tax purposes).

5.2 Treatment in Bankruptcy. If Seller commences or has commenced against it any case or other proceeding pursuant to any bankruptcy, insolvency or similar law prior to payment of the full Prospect Ownership Amount to Purchaser, Seller shall cause the Purchased Interest to be described as an asset of Purchaser (and not as a debt obligation of Seller) in any oral or written communications, including, without limitation, any schedule or other document filed in connection with such case or proceeding.

5.3 Assignment or Springing Assignment and Equitable Lien.

(a) **Immediate Assignment:** To the extent permitted by law applicable to this transaction, Seller sells and assigns to Purchaser and Purchaser purchases from Seller, Seller's entire right, title and interest in the Prospect Ownership Amount.

(b) **Springing Assignment:** To the extent that a current assignment of the Proceeds or any portion is

impermissible under applicable law, the paragraph 5.9(a) shall be deemed null and void and in such event, Seller agrees, sells and assigns to Purchaser and Purchaser purchases from Seller, Seller's entire right, title and interest in a portion of the Proceeds at the instant such proceeds come into being by virtue of a judgment, settlement, verdict or other disposition of the Legal Claim, with the amount of such Proceeds in the amount of the Prospect Ownership Amount. Additionally, to the fullest extent permitted by law, Seller grants to Purchaser and equitable lien, in, to and upon Seller's right to the Proceeds resulting from the Legal Claim and the claims asserted to secure Purchaser's receipt of the benefits of the bargain in its making under terms of the Sale and Repurchase Agreement.

5.4 No Further Assignment. Seller shall not sell, assign, pledge, or transfer (whether voluntarily, by operation of law or otherwise) any interest in the Legal Claim or the Proceeds without the prior written consent of Purchaser, except for transfers by intestate due to Seller's death. In the event an interest in the Legal Claim or the Proceeds is transferred by intestate due to Seller's death, Seller's heirs, estate executors and personal representatives will be bound by this Sale and Repurchase Agreement. Seller shall not permit or grant any security interest, lien, or encumbrance to attach to Seller's interest in the Legal Claim or the Proceeds without the prior written consent of Purchaser.

5.5 Prosecution of Claim. Seller intends to use its best efforts to prosecute the Legal Claim and to bring the Legal Claim to good faith settlement or final judgment. Upon settlement or final judgment, Seller shall use its best efforts to enforce collection of all sums due pursuant to any judgment or other award made with respect to the Legal Claim.

5.6 Requests for Information. At Purchaser's reasonable request, Seller agrees (and Seller's Attorney is authorized by Seller) to provide to Purchaser copies of non-privileged materials including: (a) pleadings, notices, orders, motions, briefs or other documents filed in the Legal Claim by any person or party, (b) correspondence, purchase agreements, or written proposals, or written summaries of any oral purchase agreements or proposals, from or to Seller or Seller's Attorney or the Proceeds, (c) all medical records of Seller or information regarding any medical lien, and (d) documents relating to any other material developments with respect to the Legal Claim or the Proceeds.

5.7 Mandatory Documents and Reports of Supplementary Information. Seller shall provide Purchaser with prompt written notice of: (a) any receipt by Seller or Seller's Attorney of Proceeds and (b) any notices of or documents evidencing any receipt of payments or promises to make payments on account of the Legal Claim.

5.8 Facilitation of Payments. If Seller's Attorney or any other person possesses Proceeds that are payable to Purchaser, Seller shall execute and deliver such documents or other instruments and take such other actions as may be reasonably requested by any person to direct or otherwise facilitate the payment of such Proceeds to Purchaser.

5.9 Substitution of Attorneys in the Legal Claim. If Seller determines to hire new or additional attorneys to represent Seller in the Legal Claim, Seller agrees that, prior to such hiring, Seller shall (a) provide Purchaser with written notice of such determination and (b) deliver a copy of the Irrevocable Letter of Direction to such new or additional attorney, (c) require such new or additional attorney to execute and deliver to Purchaser an Attorney Acknowledgement of the Irrevocable Letter of Direction. Any such new or additional attorney(s) shall be considered part of "Seller's Attorney in the Legal Claim" upon such hiring for all purposes of this Agreement.

5.10 Restrictive Agreement. Seller shall use reasonable efforts not to enter into any settlement agreement or covenant that restricts Purchaser's access to (or Seller's obligation to provide to Purchaser) information relating to the Proceeds or any settlement in connection therewith.

5.11 Waiver of Defenses. Seller waives any and all defenses with respect to the sale of the Purchased Interest and agrees not to avoid payment of any Proceeds that are payable to Purchaser. Seller has not, and shall not, directly or indirectly, in any manner, delay, seek to prevent, impair or frustrate the rights granted to Purchaser under this Sale and Repurchase Agreement or payment of the Purchased Interest sold to Purchaser.

SECTION 6. PAYMENT AND PRIORITY.

6.1 Priority Payment to Purchaser. Purchaser and Seller acknowledge that the Purchased Interest may be worthless. Purchaser accepts the risk of loss with respect to the Purchased Interest. Seller is under no obligation to repurchase other than according to the Repurchase Schedule. Pursuant to this Sale and Repurchase Agreement, Purchaser is limited to

amounts recovered by Seller in the Legal Claim unless Seller defaults under this Sale and Repurchase Agreement. The Prospect Ownership Amount shall be determined as of the date Prospect Funding Holdings LLC receives payment in full from or on behalf of Seller. Seller shall not be entitled to receive any Proceeds until Purchaser has received the Prospect Ownership Amount or the Seller has Repurchased the Prospect Ownership amount according to the Repurchase Schedule. Purchaser shall have the option, but not the obligation, to accept non-cash consideration on account of the Prospect Ownership Amount and may require Seller to accept non-cash consideration while Purchaser receives cash consideration. If the Proceeds are insufficient to pay the Prospect Ownership Amount in full, Purchaser shall receive all of the Proceeds. In any settlement of the Legal Claim where non-cash consideration is being paid to Seller, Seller agrees to use its reasonable best efforts to cause the adverse party in the Legal Claim to include sufficient cash to pay the Prospect Ownership Amount to Seller in full upon the initial payment of Proceeds.

6.2 Timely Payment. All amounts owing to Purchaser on account of the Purchased Interest shall be paid to Purchaser to the extent that Proceeds from the Legal Claim are available to make payments to Purchaser. Seller shall pay such amounts to Purchaser within ten days of receipt of the Proceeds in the Legal Claim by Seller or Seller's Attorney, whichever occurs first. Amounts that are not paid in this timely manner shall earn interest at the highest rate permitted by law until paid in full.

6.4 Costs of Collection. In addition to the Prospect Ownership Amount, all costs and expenses incurred by Purchaser in collecting the Prospect Ownership Amount shall be and become an additional amount owed to Purchaser pursuant to this Sale and Repurchase Agreement including legal fees and expenses.

6.5 Power of Attorney. Seller irrevocably designates, makes, constitutes and appoints Purchaser (and all persons or entities designated by Purchaser) as Seller's true and lawful agent and attorney-in-fact for all matters relating to this agreement and the collection of payments due under this agreement and during the continuation thereof, with power, without notice to Seller, and at such time or times as Purchaser, in its sole and absolute discretion, may determine, in Seller's or Purchaser's name: (a) to provide Seller's Attorney with irrevocable written instructions that the Prospect Ownership Amount be paid directly to Purchaser in accordance with the terms of this Sale and Repurchase Agreement; and (b) to do all acts and things necessary, in Purchaser's sole discretion, to fulfill Seller's obligations under this Sale and Repurchase Agreement.

6.6 Manner of Payment. All amounts payable to Purchaser pursuant to this Sale and Repurchase Agreement shall be paid to Purchaser at the address for Purchaser provided in this Sale and Repurchase Agreement or as otherwise provided by notice to Seller from Purchaser. Cash amounts shall be paid by check in immediately available funds. In the event that settlement checks are sent to Seller's Attorney as two separate checks, one payable solely to Seller and one payable solely to Seller's Attorney, Seller authorizes and directs Seller's Attorney to pay Purchaser the Prospect Ownership Amount from Seller's settlement check. If doing so requires Seller's Attorney to deposit Seller's settlement check in the client's trust account, then Seller explicitly authorizes Seller's Attorney to do so in order to pay the Prospect Ownership Amount to Purchaser. Seller irrevocably directs Seller's Attorney to comply with these instructions.

SECTION 7. EVENT OF DEFAULT; REMEDIES; TERMINATION; RESCISSION.

7.1 Event of Default. The breach by Seller of any of Seller's obligations under this Sale and Repurchase Agreement including, but not limited to, terminating Seller's Attorney without notice to Purchaser, terminating Seller's Attorney and failing to retain a replacement attorney within 30 days of such termination and failing to have any replacement attorney execute and deliver an acknowledgement, shall constitute an "Event of Default" hereunder. In an Event of Default, Purchaser shall have all rights, powers, and remedies provided in this Sale and Repurchase Agreement and as allowed by law or in equity.

7.2 Specific Default. IF SELLER MAKES ANY FALSE STATEMENTS IN THIS SALE AND REPURCHASE AGREEMENT (SEE SECTION 2.3), FAILS TO DISCLOSE A PRIOR SALE (SEE SECTION 3.4), RECEIVES ADDITIONAL ADVANCES WITHOUT PURCHASER CONSENT (SEE SECTION 5.4), REPLACES SELLER'S ATTORNEY WITHOUT OBTAINING A NEW ACKNOWLEDGEMENT FROM THE REPLACEMENT ATTORNEY (SEE SECTION 5.9), DOES NOT COMPLY WITH THIS SALE AND REPURCHASE AGREEMENT OR AVOIDS OR ATTEMPTS TO AVOID PAYMENT TO PURCHASER, SELLER SHALL IMMEDIATELY PAY TO PURCHASER LIQUIDATED DAMAGES IN THE AMOUNT OF TWICE THE PURCHASE AMOUNT REGARDLESS OF THE OUTCOME OF THE LEGAL CLAIM OR THE AMOUNT OF THE PROCEEDS. IN ADDITION, BREACHING PARTY SHALL PAY FOR ALL COLLECTION COSTS, INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES OF NON-BREACHING PARTY.

7.3 Seller's Right of Rescission. CONSUMER'S RIGHT TO CANCELLATION: YOU MAY CANCEL THIS AGREEMENT

WITHOUT PENALTY OR FURTHER OBLIGATION WITHIN FIVE (5) BUSINESS DAYS FROM THE DATE YOU RECEIVE THE PURCHASE PRICE FROM PURCHASER.

TO CANCEL THIS AGREEMENT, YOU MUST EITHER:

- (I) RETURN THE FULL AMOUNT OF THE PURCHASE PRICE, TO PURCHASER BY DELIVERING THE UNCASHED CHECK TO PURCHASER IN PERSON WITHIN FIVE (5) BUSINESS DAYS; OR
- (II) MAIL NOTICE OF CANCELLATION ALONG WITH REPAYMENT (EITHER BY RETURN OF PURCHASER'S UNCASHED CHECK, REGISTERED OR CERTIFIED CHECK, WIRE TRANSFER, OR MONEY ORDER) BY INSURED, REGISTERED OR CERTIFIED U.S. MAIL, POSTMARKED ON OR WITHIN FIVE (5) BUSINESS DAYS OF RECEIVING THE PURCHASE PRICE, TO PURCHASER'S ADDRESS AS SET FORTH IN SECTION 8.3 BELOW.

SECTION 8. MISCELLANEOUS.

8.1 Expenses. Except as otherwise provided in Section 8.11, all legal and other costs and expenses incurred in connection with this Sale and Repurchase Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

8.2 Survival of Representations. All of the representations, warranties, covenants and Sale and Repurchase Agreements of the parties hereto contained in this Sale and Repurchase Agreement or contained in any document furnished or to be furnished hereunder shall survive the date of this Sale and Repurchase Agreement.

8.3 Notices. All notices and other communications given or made pursuant to this Sale and Repurchase Agreement shall be in writing. All such notices or communications shall be deemed to have been given or made delivered personally or sent by registered or certified mail (postage prepaid, return receipt requested) or delivered by reputable overnight courier to the parties at the following addresses:

if to Purchaser, to:

Prospect Funding Holdings LLC
13911 Ridgedale Drive, Suite 230
Minnetonka, MN 55305
Attn: Service Center

and if to Seller, to the address set forth on the first page of this Sale and Repurchase Agreement, or at such other addresses as either of the parties hereto shall have specified in writing to the other.

8.4 Further Assurances. Seller shall, at any time, and from time to time after the date hereof, upon request of Purchaser, do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required to carry out the terms of this Sale and Repurchase Agreement and the transactions contemplated in this Sale and Repurchase Agreement.

8.5 Financing Statements and Additional Documents. Seller irrevocably authorizes Purchaser at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto. Purchaser may indicate the following information in such financial statements and amendments: (a) Purchaser's ownership interest in the Legal Claim; (b) that a portion of the proceeds that are derived from the Legal Claim are owned by Purchaser; and (c) any other information required, in Purchaser's discretion, by the Uniform Commercial Code in any relevant jurisdiction. Seller agrees to furnish any information reasonably requested by Purchaser to facilitate the objectives of this Section 8.5.

8.6 Cumulative Rights. Each and all of the various rights, powers, and remedies of the parties set forth in this Sale and Repurchase Agreement shall be considered as cumulative, with and in addition to any other rights, powers, or remedies of such party. No one such right, power, or remedy is or shall be exclusive of the others or is exclusive of any other rights, powers, and remedies allowed by law or in equity. The exercise, partial exercise, or non-exercise of any rights, powers, or remedies shall not constitute either the election, nor the waiver, of any other rights, powers, or remedies. All rights, powers, and remedies of the parties shall survive the termination of this Sale and Repurchase Agreement.

8.7 Waiver. Any waiver by any party of its rights under this Sale and Repurchase Agreement shall be in writing and signed by the party waiving such rights. The failure of either party to enforce, at any time, any of the provisions of this Sale and Repurchase Agreement or any of the rights set forth in this Sale and Repurchase Agreement, shall in no way be considered a waiver of such provisions, rights, or subsequent breaches thereof.

8.8 Headings; Number and Gender. The sections and other headings contained in this Sale and Repurchase Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Sale and Repurchase Agreement. References to the singular or plural shall include the other and references to the masculine, feminine and neuter genders shall include the others, as appropriate.

8.9 Entire Sale and Repurchase Agreement. This Sale and Repurchase Agreement (including the attached Exhibits and other documents and instruments referred to herein) constitutes the entire Sale and Repurchase Agreement between the parties and supersedes all other prior Purchase Agreements and understandings, both oral and written, between the parties, with respect to the subject matter of this Sale and Repurchase Agreement. This Sale and Repurchase Agreement may only be modified or supplemented by a written amendment executed by all of the parties hereto.

8.10 DISPUTE RESOLUTION AND MANDATORY ARBITRATION. PLEASE READ THIS CAREFULLY; IT AFFECTS YOUR RIGHTS

THE PARTIES WAIVE THE RIGHT TO TRIAL BY JURY AND WAIVE ANY RIGHT TO PURSUE DISPUTES ON A CLASS WIDE BASIS IN ANY ACTION OR PROCEEDING INSTITUTED WITH RESPECT TO THIS AGREEMENT. THE PARTIES AGREE THAT THE ISSUE OF ARBITRABILITY SHALL BE DECIDED BY THE ARBITRATOR AND NOT BY ANY OTHER PERSON. THAT IS, THE QUESTION OF WHETHER A DISPUTE ITSELF IS SUBJECT TO ARBITRATION SHALL BE DECIDED SOLELY BY THE ARBITRATOR AND NOT, FOR EXAMPLE, BY ANY COURT. IN SO DOING, THE INTENT OF THE PARTIES IS TO DIVEST ANY AND ALL COURTS OF JURISDICTION IN DISPUTES INVOLVING THE PARTIES, EXCEPT FOR THE CONFIRMATION OF THE AWARD AND ENFORCEMENT. THE FEDERAL ARBITRATION ACT ("FAA") APPLIES TO THIS AGREEMENT AND ARBITRATION PROVISION. WE EACH AGREE THAT THE FAA'S PROVISIONS—NOT STATE LAW—GOVERN ALL QUESTIONS OF WHETHER A DISPUTE IS SUBJECT TO ARBITRATION. ANY DISPUTE OR DISAGREEMENT BETWEEN THESE PARTIES ARISING UNDER THIS AGREEMENT OR OTHERWISE OF ANY NATURE WHATSOEVER INCLUDING, BUT NOT LIMITED TO, THOSE SOUNDING IN CONSTITUTIONAL, STATUTORY, OR COMMON LAW THEORIES AS TO THE PERFORMANCE OF ANY OBLIGATIONS, THE SATISFACTION OF ANY RIGHTS, AND/OR THE ENFORCEABILITY HEREOF, SHALL BE RESOLVED THROUGH DEMAND BY ANY PARTY AND/OR INTERESTED PARTY TO ARBITRATE THE DISPUTE IN NEW YORK IN AND UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL SUBMIT THE SAME TO A NEUTRAL ARBITRATION ASSOCIATION FOR RESOLUTION PURSUANT TO ITS SINGLE ARBITRATOR, EXPEDITED RULES. IF THE FIRST ARBITRATION ORGANIZATION, WHICH RECEIVES A WRITTEN DEMAND FOR ARBITRATION OF THE DISPUTE FROM ANY PARTY AND/OR INTERESTED PARTY, DOES NOT COMPLETE THE ARBITRATION TO FINALITY WITHIN FOUR MONTHS OF THE WRITTEN DEMAND, ANY PARTY AND/OR INTERESTED PARTY THEN MAY FILE A WRITTEN DEMAND FOR ARBITRATION OF THE DISPUTE WITH ANOTHER NEUTRAL ARBITRATION ASSOCIATION, WITH THE PRIOR ARBITRATION ASSOCIATION THEN BEING IMMEDIATELY DIVESTED OF JURISDICTION, SUBJECT TO A DECISION BEING RENDERED BY THE REPLACEMENT ARBITRATION ASSOCIATION WITHIN FOUR MONTHS OF THE WRITTEN DEMAND BEING FILED WITH THE REPLACEMENT ARBITRATION GROUP. THE ARBITRATION DECISION SHALL BE FINAL AND BINDING IN ALL RESPECTS AND SHALL BE NON-APPEALABLE. ANY PERSON MAY HAVE A COURT OF COMPETENT JURISDICTION CONFIRM THE ARBITRATION AWARD AS A JUDGMENT OF SUCH COURT AND ENTER INTO ITS RECORD THE FINDINGS OF SUCH ARBITRATORS FOR ALL PURPOSES, INCLUDING FOR THE ENFORCEMENT OF THE AWARD. THE PREVAILING PARTY IN ANY DISPUTE SHALL BE ENTITLED TO ALL REASONABLE ATTORNEYS' FEES AND COSTS, EXPENSES AND DISBURSEMENTS WITH RESPECT TO SUCH DISPUTE.

8.11 Attorneys' Fees. In the event of a failure by any party to comply with the terms of this Sale and Repurchase Agreement, the breaching party will pay all costs and expenses, including reasonable attorneys' fees and costs, incurred by the non-breaching party as a consequence of breaching party's failure to comply with this Sale and Repurchase Agreement.

8.12 Counterparts and Facsimile Signatures. This Sale and Repurchase Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same Sale and Repurchase Agreement. This Sale and Repurchase Agreement shall be deemed duly executed by Seller and Purchaser, respectively, upon the delivery of all of their respective executed signature pages by facsimile transmission to Seller or its attorney and Purchaser, as the case may be.

8.13 Assignment; Use of Information. Purchaser's rights and obligations under the Sale and Repurchase Agreement may be assigned in its sole discretion without the consent of or notice to Seller. Seller's rights and obligations under this Sale and Repurchase Agreement may not be assigned or transferred without the written consent of Purchaser, except for transfer by intestate due to Seller's death in which case Seller's heirs, estate executors and personal representatives will be bound by this Sale and Repurchase Agreement. Seller agrees that Purchaser may share information that Purchaser obtained about Seller (whether from Seller or other person or entity) with potential assignees to whom Purchaser may assign its rights and obligations under this Sale and Repurchase Agreement, provided that: (i) such information is reasonably necessary to allow a potential assignee to make an informed decision whether to take assignment from Purchaser; and (ii) Purchaser enters into an appropriate confidentiality Sale and Repurchase Agreement with any such potential assignee.

8.14 No Third Party Beneficiaries, Successors and Assigns. Subject to the provisions of Section 8.13, (a) this Sale and Repurchase Agreement is solely for the benefit of Purchaser and Seller; and (b) this Sale and Repurchase Agreement shall be binding upon and inure to the benefit of the parties' successors, heirs, estates, executors, personal representatives and permitted assigns.

8.15 Severability. If any provision of this Sale and Repurchase Agreement or the application of any such provision to any party or circumstance shall be determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Sale and Repurchase Agreement, or the application of such provision to such party or circumstances other than those to which it is so determined to be invalid or unenforceable, shall not be affected, and each provision of this Sale and Repurchase Agreement shall be enforced to the fullest extent permitted by law. If any such court of competent jurisdiction declares that any term or provision of this Sale and Repurchase Agreement is invalid or unenforceable, the parties hereto agree that such court shall have the power to modify the scope of such term or provision, to delete specific words or phrases, and to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable, and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Sale and Repurchase Agreement shall be enforceable as so modified.

8.16 Legal Representation. Seller understands and acknowledges that: (a) Purchaser has recommended that Seller engage an attorney in connection with the execution and delivery of this Sale and Repurchase Agreement; and (b) Seller has been represented by or has had the opportunity to be represented by an attorney of Seller's choosing in connection with the execution and delivery of this Sale and Repurchase Agreement.

8.17 Construction. Without limitation of the provisions of Section 8.16, both parties have been represented by or have had the opportunity to be represented by an attorney of their choosing in connection with the execution and delivery of this Sale and Repurchase Agreement. The parties intend that this Sale and Repurchase Agreement be deemed to have been prepared by all of the parties and that no party shall be entitled to the benefit of any favorable interpretation or construction of any term or provision hereof under any rule or law with respect to the construction of this Sale and Repurchase Agreement.

8.18 Release to Contact Third Parties. As part of this Sale and Repurchase Agreement it may be necessary to disclose information to third parties. Seller explicitly and irrevocably authorizes Purchaser to disclose any information to third parties as it deems appropriate. Seller releases Purchaser from any and all liability as a result of the release of any information.

8.19 Other Miscellaneous. Once the case has been resolved, Seller agrees not to instruct his/her attorney to not pay Prospect Funding Holdings LLC the Prospect Ownership Amount.

Fully Informed: Seller fully understands the terms and conditions of this nine (9) page Sale and Repurchase Agreement. Seller has had an opportunity to read this Sale and Repurchase Agreement and to consult with such advisors as Seller deems appropriate, including attorneys and tax advisors. Seller has not relied on any statement, assurance, representation or warranty, whether written or oral, of Purchaser or any other person in connection with Seller's decision to enter into this Sale and Repurchase Agreement.

I certify that I have read and agree to the statements above and the entire Sale and Repurchase Agreement consisting of nine (9) pages. I agree to be bound by the terms and conditions of this Sale and Repurchase Agreement.

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL EXECUTED BY PURCHASER.

Mar. 11, 2015 9:20AM

No. 3170 P. 11

IN WITNESS WHEREOF, the parties hereto have caused this Sale and Repurchase Agreement to be executed and be effective as of the date set forth below.

DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT COMPLETELY OR IF IT CONTAINS ANY BLANK SPACES. BEFORE YOU SIGN THIS AGREEMENT YOU SHOULD OBTAIN THE ADVICE OF YOUR ATTORNEY. YOU ARE ENTITLED TO A COMPLETELY FAILED IN COPY OF THIS AGREEMENT

SELLER A

~~Signature~~ Date of Birth


Social Security Number

Driver's License Number/
State Identification Number

State of Residence

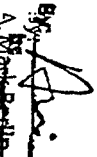
STATEMENT OF SELLER'S ATTORNEY:

The undersigned hereby certifies to Purchaser that the undersigned has reviewed the terms and conditions of this Sale and Repurchase Agreement and explained such terms and conditions to Seller, including the all costs and fees including the Seller's ability to repurchase the Prospect Ownership Amount according to the Repurchase Schedule and Amount of Repurchase. I have a written fee agreement with Purchaser to pay my fees contingent on the outcome of the case. I agree that all disputes regarding this agreement will be resolved via arbitration and I have explained this to the Seller. All proceeds of the legal claim will be distributed via the attorney's trust account and the attorney is following the written instructions of the Seller who regard to the Sale and Repurchase Agreement, and I enclose Letter of Directors which attorney has acknowledged.

By: 
David Bonner Attorney for Lawrence Barnes

PURCHASER: A

PROSPECT FUNDING HOLDINGS LLC
13924 Ridgewood Drive, Suite 220
Minnetonka, MN 55305

By:  for Prospect Funding Holdings LLC
A. Mark Berthoff
c/o Prospect
13924 Ridgewood Drive, Suite 220
Minnetonka, MN 55305
3/17/2015

(Enclosure of pages intentionally left blank)

03/12/2015

Initial A

IRREVOCABLE LETTER OF DIRECTION

March 13, 2015

David Rosen, Esq.
801 South Grand Avenue, 11th Floor
Los Angeles, CA 90017

Dear David Rosen,

I, A hereby irrevocably direct David Rosen or any subsequent attorney(s) and law firms that may represent me, to place an assignment, consensual lien and security interest against any and all of the settlement proceeds due to me from the legal claim(s)/case(s) in which you represent me, after payment of any and all legal fees and reimbursable costs, and to protect and satisfy this assignment, consensual lien and security interest of \$42,160 which is the Prospect Ownership Amount.

If any dispute arises over the Prospect Ownership Amount owed Prospect Funding Holdings LLC, I instruct you to pay Prospect Funding Holdings LLC the non-disputed amount owed by me to Prospect Funding Holdings LLC (amount of Funding) and retain only the amount in dispute in your trust account until the dispute is resolved by arbitration as per my agreement with Prospect Funding Holdings, LLC. I instruct you NOT to release any funds to me until that dispute is resolved. If a check is sent in my name, I hereby grant you a limited, irrevocable power of attorney to endorse and deposit my check into your trust account and pay Prospect Funding Holdings LLC, in full, before releasing any funds to me. Please pay Prospect Funding Holdings LLC at 13911 Ridgedale Drive, Suite 230 Minnetonka, MN 55305. Phone: 855-767-7100. Please provide Prospect Funding Holdings LLC with the gross settlement amount and provide them with any information about my case that they request that does not violate the attorney/client privilege.

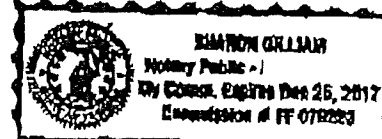
I understand that Prospect Funding Holdings LLC has relied on this Irrevocable Letter of Direction to fund the Sale and Repurchase Agreement of \$42,160. Prospect Funding Holdings, LLC has agreed to allow me to repurchase the Prospect Ownership Amount according to the Repurchase Schedule below. In the event that you no longer represent me, I instruct you to provide Prospect Funding Holdings LLC with any insurance, attorney or other information requested that will allow them to protect their interest and to follow my irrevocable instructions. I authorize Prospect Funding Holdings LLC to protect its lien by notifying the defendant. This letter may be executed in counterparts, each of which shall be deemed an original and all of which shall together constitute an agreement. By signing the acknowledgement below, you acknowledge that this letter is from me and that you will comply with this Irrevocable Letter of Direction for the benefit of Prospect Funding Holdings, LLC.

<u>Repurchase Schedule</u>	<u>Repurchase Amount</u>
At or Before September 15, 2015	(6 Months) \$ 16,120
Between September 15, 2015 and Before March 15, 2016	(12 Months) \$ 19,840
Between March 15, 2016 and Before September 15, 2016	(18 Months) \$ 23,560
Between September 15, 2016 and Before March 15, 2017	(24 Months) \$ 27,280
Between March 15, 2017 and Before September 15, 2017	(30 Months) \$ 31,000
Between September 15, 2017 and Before March 15, 2018	(36 Months) \$ 34,720
Between March 15, 2018 and Before September 15, 2018	(42 Months) \$ 38,440
After September 15, 2018	\$ 42,160

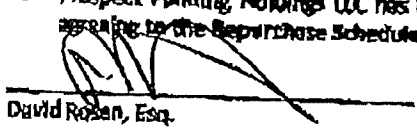
Mar. 17, 2015 9:21AM

No. 3170 P. 13

p.12

Sincerely,
ASworn to and subscribed before me
on the 16 day of March, 2015
Notary Public**ATTORNEY ACKNOWLEDGMENT**

- I, David Rosen, Esq., acknowledge receipt of this letter from my client.
- I will honor my client's irrevocable letter of direction, assignment, consensual lien and security interest, subordinate to attorney fees and reimbursable expenses as per instructions above.
- Should I no longer represent my client, I will contact Prospect Funding without delay within 48 hours, and provide applicable insurance, attorney information and any other information requested by Prospect Funding.
- Lawrence Barnes's claim(s) is/are still pending in active status against a viable defendant with no motions for final disposition, including but not limited to summary judgment. The case is being vigorously defended as to both liability and damages and there is no guarantee that there will be a recovery sufficient to satisfy the Purchase Agreement in whole or in part.
- I acknowledge that all disputes arising out of this transaction will be resolved via arbitration per the Sale and Repurchase Agreement and the irrevocable letter of direction.
- My fee agreement is contingent upon the recovery of proceeds of the legal claim(s) and all disbursements of funds will be through my attorney trust account and NOT directly to Lawrence Barnes.
- There are medical liens against Lawrence Barnes's legal claim(s) of approximately \$ unknown.
- Lawrence Barnes has not received any previous cash advances on his/her legal claim(s) that have not been repaid in this Agreement.
- I will not acknowledge any future cash advances on Lawrence Barnes's legal claim(s) without prior written consent of Prospect Funding Holdings LLC.
- Prospect Funding Holdings LLC has relied upon this letter and acknowledgment in funding this transaction and agreeing to the Repurchase Schedule.


David Rosen, Esq.

Date

3/16/15
d.rosen@rkmlaw.net
(Email is preferred (or fax number))

How should we contact you for case updates:

By: 
A. Mark Berlin, Jr.Accepted by Prospect Funding Holdings LLC
or Prospect Funding Holdings LLC

Date

3/17/2015

